

SENATE BILL No. 381

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-7-1-17; IC 6-7-2-13.

Synopsis: Cigarette and tobacco taxes. Changes the stamp discount for cigarette distributors from \$0.012 to \$0.013. Changes the tax collection allowance for tobacco distributors from \$0.006 to \$0.007 for tobacco products other than cigarettes.

Effective: July 1, 2016.

Mishler

January 11, 2016, read first time and referred to Committee on Tax & Fiscal Policy.



Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

SENATE BILL No. 381

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-7-1-17, AS AMENDED BY P.L.131-2008,
2 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 17. (a) Distributors who hold certificates and
4 retailers shall be agents of the state in the collection of the taxes
5 imposed by this chapter and the amount of the tax levied, assessed, and
6 imposed by this chapter on cigarettes sold, exchanged, bartered,
7 furnished, given away, or otherwise disposed of by distributors or to
8 retailers. Distributors who hold certificates shall be agents of the
9 department to affix the required stamps and shall be entitled to
10 purchase the stamps from the department at a discount of one and
11 ~~two-tenths~~ **three-tenths** cents (~~\$0.012~~) (**\$0.013**) per individual package
12 of cigarettes as compensation for their labor and expense.
13 (b) The department may permit distributors who hold certificates
14 and who are admitted to do business in Indiana to pay for revenue
15 stamps within thirty (30) days after the date of purchase. However, the
16 privilege is extended upon the express condition that:
17 (1) except as provided in subsection (c), a bond or letter of credit



satisfactory to the department, in an amount not less than the sales price of the stamps, is filed with the department;

(2) proof of payment is made of all property taxes, excise taxes, and listed taxes (as defined in IC 6-8.1-1-1) for which any such distributor may be liable; and

(3) payment for the revenue stamps must be made by electronic funds transfer (as defined in IC 4-8.1-2-7).

The bond or letter of credit, conditioned to secure payment for the stamps, shall be executed by the distributor as principal and by a corporation duly authorized to engage in business as a surety company or financial institution in Indiana.

(c) If a distributor has at least five (5) consecutive years of good credit standing with the state, the distributor shall not be required to post a bond or letter of credit under subsection (b).

SECTION 2. IC 6-7-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 13. A distributor that files a complete return and pays the tax due within the time specified in section 12 of this chapter is entitled to deduct and retain from the tax a collection allowance of ~~six-thousandths (0.006)~~ **seven-thousandths (0.007)** of the amount due. If a distributor files an incomplete report, the department may reduce the collection allowance by an amount that does not exceed the lesser of:

(1) ten percent (10%) of the collection allowance; or

(2) fifty dollars (\$50).

SECTION 3. [EFFECTIVE JULY 1, 2016] **(a) IC 6-7-1-17, as amended by this act, applies only to cigarette stamps purchased by distributors after June 30, 2016.**

(b) IC 6-7-2-13, as amended by this act, applies only to the collection of taxes that are attributable to liabilities for months occurring after June 30, 2016.

(c) This SECTION expires June 30, 2017.

